

PURCHASE OF BUILDINGS FOR BONDED WAREHOUSES
IN BROOKLYN, NEW YORK.

LETTER

FROM

THE SECRETARY OF THE TREASURY,

TRANSMITTING

*Correspondence relative to the purchase of the stores on the Atlantic dock,
Brooklyn, New York, for United States bonded warehouses.*

JULY 8, 1856.—Referred to the Committee of Ways and Means, and ordered to be
printed.

TREASURY DEPARTMENT, *July 8, 1856.*

SIR: I have the honor to transmit herewith a copy of a report made to this department by the collector of the customs of the port of New York, under date of the 3d instant, and copies of certain papers referred to therein, numbered 1 to 5 inclusive, in reference to the expediency of the purchase by the United States, for revenue purposes, of three stores at the Atlantic dock at that port, now held by the United States under a lease for a term of years, and used for the storage of bonded goods.

The grounds on which this purchase is deemed desirable are stated in detail in the accompanying paper numbered 2, being a copy of a report made to the collector by his deputy in charge of the warehouse department at New York, and fully concurred in by the collector.

For the reasons thus stated, and as the terms on which the property is offered are deemed highly advantageous to the United States, I have the honor to recommend that authority be given by law to make the purchase in question for the United States, and that the sum of one hundred thousand dollars be appropriated for that purpose.

I have the honor to be, your obedient servant,

JAMES GUTHRIE,

Secretary of the Treasury.

Hon. N. P. BANKS, Jr.,

Speaker of the House of Representatives.

No. 1.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, July 3, 1856.

SIR: I enclose a communication from Samuel F. Butterworth, esq., offering to sell to the United States three stores at the Atlantic dock for one hundred thousand dollars. This is the only offer I have had, and there appears no disposition on the part of the other owners of this property to sell.

By diagram enclosed it will be seen that the stores offered by Mr. Butterworth, Nos. 53, 54, 55, 56, 57, 58, are on the south pier, commencing at the entrance to the basin. For the purpose of the government it is all-important to own one side or the other of this entrance.

The corresponding store on the north pier, No. 51, 52, is certainly the most valuable; but it cannot be purchased, as it belongs to Edward Curtis, whose condition, as you are aware, prevents any disposition of his property. Next in value to that is the store 53-54, on the south pier.

The peculiar value of these stores lies in the water front and wharf room they possess, having on each front wharf room of 50×20 feet, and on the side 50×140 feet, and a total water front of 340 feet. This, you will perceive, is a great advantage, particularly if we should ever use the building as a boarding station, when the control of a protected boat-landing becomes indisputable.

The rent of the stores on the south pier is greater than those on the north pier, owing to the difference in area—the former being 50×100 feet, the latter 50×80 feet; consequently a greater reduction of annual expense is made by the purchase there, which more than counterbalances any disadvantage of locality. It is also important to have the stores adjoining each other.

A statement is made by the auditor, showing the balance of interest, and estimating that if the United States paid interest on the purchase-money, the excess of price over rent for the remainder of lease would be \$21,285; but you will perceive, that while the rent for the remaining term is \$102,000, that claim can be extinguished and a title secured to the United States for \$100,000. It is but reasonable to suppose that the revenue of the stores for eight years would be greater than this difference of interest.

After due deliberation and consultation with my senior deputies, Messrs. Clinch and Walden, and with my auditor, Mr. Ogden, I do not hesitate to advise the purchase of these stores by the government, for the reasons heretofore assigned. Indeed, I have no idea that any individual, standing in the place of government, as lessee of this property, and having the necessary capital, would hesitate one moment in accepting this offer. I suppose, however, that the action of Congress will be required before the department would be authorized to consummate the bargain.

Very respectfully, your obedient servant,
HEMAN J. REDFIELD, *Collector.*

HON. JAMES GUTHRIE,
Secretary of the Treasury.

No. 2.

I avail myself of this opportunity most respectfully to urge the necessity that exists, in my judgment, for the government to retain the occupancy and, if possible, to secure the ownership of two of these stores, either on the north or south pier. You are aware that there are but two points in this harbor that command its entrance from the ocean and from Long Island sound, and one of these we must have as a station for boarding vessels. One of these points is the pier No. 1, East river; the other the Atlantic dock at Brooklyn. The former we now occupy, as a tenant of the city, for ground-rent; and should we lose control of the other, are at the mercy of any speculating majority of the city council who may choose to trade on our necessities. Possession of the other would render us entirely independent of any such contingency; and it would certainly be desirable to purchase at this time, if any arrangement could be made, through such purchase, to release ourselves from the other stores. Apart from the necessities of the future, the present wants of the business require the use of two stores as a legitimate charge on the revenue: one for the sale of unclaimed goods, where they can be sent from the different private bonded warehouses, as the term of storage expires, and where they can be classified, allotted, appraised and sold; and another for the reception of wrecked property, and for revenue cutter purposes. When vessels are stranded in this port or on the adjacent coast, the property is brought in lighters, and some place is necessary where it can be immediately taken. As such goods are more or less damaged, their reception in a store with sound goods is objected to, and with reason, while ample room is needed for spreading and appraising them. Proper accommodations, as counters, &c., should be furnished for the use of the appraisers, and the whole business wound up as speedily as possible; those goods not claimed being at once sold by the United States. Being in one store, the whole business is under control and can be settled at once.

Two stores at the dock have been set aside, and are specially used for these purposes; and I think you will agree with me in opinion that a wise economy, the systematic arrangement of business, and in fact the security of the revenue, justify the continuance of this plan, and the necessity of the expense incurred.

No. 3.

NEW YORK, *July 1, 1856.*

SIR: I will sell and convey to the United States the three stores on the north end of the south pier of the Atlantic dock, Nos. 53-54, 55-56, and 57-58, for the sum of one hundred thousand dollars.

Yours respectfully,

SAMUEL F. BUTTERWORTH.

Hon. H. J. REDFIELD,
Collector, &c., New York.

No. 4.

EAST RIVER.

N.

SOUTH PIER.

67, 68
65, 66
63, 64
61, 62
59, 60
57, 58
55, 56
53, 54

Entrance
to
Basin.

NORTH PIER.

51, 52
49, 50
47, 48
45, 46
43, 44
41, 42
39, 40
37, 38

ATLANTIC DOCK BASIN.

The three stores, 50 × 100 feet each, Nos. 53, 54—55, 56—57, 58, are the stores referred to in the communication of Mr. Butterworth.

No. 5.

Three double warehouses on south pier, 100 feet deep and 50 feet wide, rent at 85 cents per square foot\$—4,250 each store.

Annual rent of three stores..... \$12,750
For eight years..... 8

Average interest to expiration of term—three years 10½
months, at six per cent..... 23,715

125,715

Price asked..... \$100,000
Interest to expiration of lease—seven years and ten months. 47,000

147,000

125,715

Excess of price asked over rent payable, (with interest at
six per cent)..... 21,285